

Senate Standing Committee on Finance and Public Administration

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Human Services and Agencies

Supplementary Budget Estimates 2006-2007, 31 October, 2006

Question: HS 32

Outcome 1, Output 1.1

Topic: - Centrelink – Fraud – Debt Recovery

Hansard Page/Written Question on Notice: Written

SENATOR EVANS asked on 31/10/2006:

1. Please provide figures on the number of people convicted for Social Security fraud for multiple claims, including breakdown by number, the actual number of multiple claims made, per individual, for 2005-06.
2. Please provide a breakdown of data showing prosecution activity for 2005-06, by payment type, number of convictions and amount involved, by State and Territory.
3. How many people have been convicted in each State and Territory, for 2005-06?
4. How many people have been considered for prosecution activity by Centrelink, but not referred to the Director of Public Prosecutions, by State and Territory, for 2005-06?
5. How many people have been pursued for Social Security fraud by the Director of Public Prosecutions and found not guilty?
6. Please provide the numbers of people prosecuted for Social Security fraud who had legal representation, and the type of representation, for 2005-06?
7. How many of those who were prosecuted for Social Security fraud were represented by private solicitors were not convicted by the Director of Public Prosecutions?
8. How many of those who were prosecuted for Social Security fraud in 2005-06 had representations put to the Director of Public Prosecutions that it was not in the public interest to prosecute?
9. In how many cases referred to the DPP for Social Security fraud in 2005-06 did the Director of Public Prosecutions decide not to proceed with the prosecution?
10. Please update all the tables provided in response to question on notice HS36 from the November 2005 Estimates for the 2005-06 financial year.
11. Please provide an update for the 2005-06 financial year of the figures provided on table 4 on page 44 of the Centrelink 2004-05 Annual Report.
12. Please provide a table showing a full breakdown (by payment type and value of debts raised) of all debts raised in 2005-06.

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13. What is the total value of debts that have been recovered (by payment type) in the 2005-06 financial year?
14. How much Centrelink debt has been recovered by i) Dunn & Bradstreet and ii) R&C Mercantile in 2005-06?
15. How many debts has been recovered by i) Dunn & Bradstreet and ii) R&C Mercantile in 2005-06 by credit card and what is the dollar value of the debts recovered by credit card, in 2005-06?
16. Please provide figures on the number of Newstart Allowance and Youth Allowance incapacitated exemptions that were sought in 2005-06, and final number granted?
17. Could we have a list of the range of information is held on the Social Work Information System database?

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Note: Centrelink, the Department of Employment and Workplace Relations, the Department of Education, Science and Training and the Department of Families, Community Services and Indigenous Affairs signed a Protocol for the Release of Social Security Information on 22 September 2006; as such cells containing customer numbers between 0 and 19 inclusive will show the value '<20'. 'N/A' (as in 'not available') will be inserted in a cell, including the 'total' cell, when it may be possible to estimate customer number(s). This will prevent individuals being identified, and to cover the legal requirement to protect an individual's privacy. Cells containing information other than payment recipient numbers may show figures of less than 20 providing customer privacy is maintained.

Answer:

1. In 2005-06 the number of people convicted for Social Security fraud involving multiple claims was 146. Centrelink does not collect data allowing breakdown by number, including the actual number of multiple claims made per individual.
2. Prosecution activity for 2005-06, by payment type, number of convictions and amount involved, by State and Territory is provided at **Attachment A**.

Note: the total number of payment convictions provided for each State and Territory is greater than the total number of individuals convicted (refer question three) because individuals may be convicted based on more than one payment, for example an individual may be convicted in relation to a Family Tax Benefit payment and Parenting Payment Single.

3. The following table provides the number of people who have been convicted in each State and Territory, for 2005-06:

State/Territory	Number of people convicted
New South Wales	954
Northern Territory	66
Queensland	626
South Australia	236
Tasmania	148
Victoria	510
Western Australia	282

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4. The following table provides the number of people (by State and Territory) who were considered for prosecution activity by Centrelink but not referred to the Director of Public Prosecutions in 2005-06:

State/Territory	Number of People considered for prosecution activity by Centrelink but not referred to the Director of Public Prosecutions
New South Wales	5,241
Northern Territory	368
Queensland	3,506
South Australia	2,419
Tasmania	382
Victoria	1,836
Western Australia	1,239

5. In 2005-06, 47 people were pursued for Social Security fraud by the Director of Public Prosecutions and found not guilty.
6. Centrelink does not collect details of the legal representation of people prosecuted for Social Security fraud.
7. Centrelink does not collect details of the legal representation of people prosecuted for Social Security fraud.
8. Centrelink does not collect data on the number of people prosecuted for Social Security fraud who had representations put to the Director of Public Prosecutions that it was not in the public interest to prosecute.
9. In 2005-06, the Director of Public Prosecutions decided not to proceed with the prosecution of 636 cases referred for Social Security fraud.

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10. An update to question on notice HS36 from the November 2005 Estimates is provided below:

Table 1

The following table shows the original decision maker decisions made during the relevant financial years. Decisions relating to lodgements made may not necessarily occur in the same financial year as the lodgement.

Marriage - like Relationship Cases - Original Decision Maker					
	Lodgements	Decisions	Affirmed	Changed (Set aside / varied)	Withdrawn / Dismissed
2005-06	4,472	4,450	2,931	1,368	151
2006-07 to 30 September 2006	1,387	1,352	827	432	93

Tables 2- 5

The following tables show the Authorised Review Officer, Social Security Appeals Tribunal and Administrative Appeals Tribunal decisions made during the 2005-06 financial year and for 2006-07 financial year to 30 September 2006. Decisions relating to lodgements made may not necessarily occur in the same financial year as the lodgement.

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Table 2

Marriage - like Relationship Cases - Authorised Review Officer					
2005-06					
	Lodgements	Decisions	Affirmed	Changed (Set aside / varied)	Withdrawn / Dismissed
NSW	540	536	263	233	40
ACT	26	26	6	16	4
QLD	351	363	175	173	15
VIC	422	396	183	192	21
WA	177	179	85	83	11
SA	165	151	85	57	9
TAS	93	95	47	45	3
NT	26	21	13	8	0
Unknown	20	21	10	9	2

Marriage - like Relationship Cases - Authorised Review Officer					
2006-07 to 30 September 2006					
	Lodgements	Decisions	Affirmed	Changed (Set aside / varied)	Withdrawn / Dismissed
NSW	145	161	88	69	4
ACT	3	4	1	3	0
QLD	86	89	35	51	3
VIC	134	143	61	75	7
WA	44	48	24	23	1
SA	60	63	44	17	2
TAS	28	24	11	12	1
NT	7	13	9	4	0
Unknown	4	4	2	2	0

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Table 3

Marriage - like Relationship Cases - Social Security Appeals Tribunal					
2005-06					
	Lodgements	Decisions	Affirmed	Changed (Set aside / varied)	Withdrawn / Dismissed
NSW	91	109	45	42	22
ACT	4	6	3	3	0
QLD	70	64	35	18	10
VIC	60	67	21	37	8
WA	33	34	15	15	4
SA	41	47	23	15	9
TAS	28	25	9	14	2
NT	9	11	7	4	0
Unknown	7	4	2	1	1

Marriage - like Relationship Cases - Social Security Appeals Tribunal					
2006-07 to 30 September 2006					
	Lodgements	Decisions	Affirmed	Changed (Set aside / varied)	Withdrawn / Dismissed
NSW	27	32	12	16	3
ACT	0	0	0	0	0
QLD	24	15	6	7	2
VIC	37	17	10	6	1
WA	15	8	2	5	1
SA	13	8	1	7	0
TAS	6	7	1	4	2
NT	3	0	0	0	0
Unknown	1	2	2	0	0

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Table 4

Marriage - like Relationship Cases - Administrative Appeals Tribunal - Customer Appeals					
2005-06					
	Lodgements	Decisions	Affirmed	Changed (Set aside / varied)	Withdrawn / Dismissed
NSW	24	19	0	7	12
ACT	1	0	0	0	0
QLD	14	7	3	1	3
VIC	12	6	0	2	4
WA	1	1	0	0	1
SA	8	2	0	1	1
TAS	6	2	2	0	0
NT	4	1	0	1	0
Unknown	1	2	1	0	1

Marriage - like Relationship Cases - Administrative Appeals Tribunal - Customer Appeals					
2006-07 to 30 September 2006					
	Lodgements	Decisions	Affirmed	Changed (Set aside / varied)	Withdrawn / Dismissed
NSW	2	3	1	2	0
ACT	0	0	0	0	0
QLD	7	7	1	3	3
VIC	2	1	0	0	1
WA	2	1	0	0	1
SA	0	4	1	0	3
TAS	1	2	1	0	1
NT	0	0	0	0	0

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Marriage - like Relationship Cases - Administrative Appeals Tribunal - Secretary Appeals					
2005-06					
	Lodgements	Decisions	Affirmed	Changed (Set aside / varied)	Withdrawn / Dismissed
NSW	10	6	4	1	1
ACT	1	1	0	1	0
QLD	1	1	0	1	0
VIC	2	6	0	4	2
WA	5	2	0	1	1
SA	2	0	0	0	0
TAS	4	0	0	0	0
NT	1	0	0	0	0

Marriage - like Relationship Cases - Administrative Appeals Tribunal - Secretary Appeals					
2006-07 to 30 September 2006					
	Lodgements	Decisions	Affirmed	Changed (Set aside / varied)	Withdrawn / Dismissed
NSW	6	0	0	0	0
ACT	0	1	0	1	0
QLD	0	1	0	1	0
VIC	2	0	0	0	0
WA	3	0	0	0	0
SA	0	0	0	0	0
TAS	3	0	0	0	0
NT	0	1	0	0	1

Table 6

The following table shows the number of debts raised:

Number of Debts Raised by Dollar Amount Financial Year Comparison			
Financial Year	Less than \$15,000	\$15,000-\$30,000	More than \$30,000
2005-06	2,056	206	170
2006-07 to 30 September 2006	481	43	44

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Table 7

The following table shows the number of marriage-like relationship cases referred to Centrelink fraud investigators, and the number of cases considered by Centrelink fraud investigators for referral to the Commonwealth Director of Public Prosecutions. Data for the 2006-07 financial year to 30 September 2006 is currently not available.

Potential Marriage Like Relationship Cases Financial Year Comparison		
Financial Year	Centrelink Assessments	Cases referred to the DPP
2005-06	Data currently not available	168

Table 8

The following table shows the outcomes of cases referred to the Director of Public Prosecutions for prosecution action. Prosecutions may not necessarily be finalised in the same financial year in which the case was referred to the Director of Public Prosecutions. Data for the 2006-07 financial year to 30 September 2006 is currently not available.

Prosecution Outcomes – Marriage-like Relationships			
Financial Year	Prosecuted	Convicted	Dismissed
2005-06	92	88	3

11. The table below shows debts raised for 2005-06 Financial Year:

Type of debts	Number of debts	Amount raised \$m
Total debts raised, excluding Family Tax Benefit and Child Care Benefit reconciliation and non-lodger debts	1,626,672	964.8

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12. The table below shows debts raised by payment type for 2005-06:

Payment Type	Raised Amount (\$m)
Age Pension	91.7
Age Pension Related Payments	1.2
Disability Support and Sickness Allowance	123.9
Carer and Related Payments	23.4
Newstart Allowance	263.8
Newstart Related Payments	11.4
Youth Jobseeker	25.4
Youth Student, Apprentice and Austudy	116.6
ABSTUDY	12.3
Assistance to Isolated Children	1
Youth and Student Related Payments	3.5
Family Tax Benefit	709.4
Childcare Assistance	68.2
Family Related Payments	1.1
Parenting Payment	214
Parenting Related Payments	1.4
Special Circumstance	14.1
Recovered on Behalf of Other Agencies	2.7
Total Debt	1684.9

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13. The table below shows debts recovered by payment type in 2005-06.

Payment Type	Amount Recovered (\$m)
Age Pension	61.6
Age Pension Related Payments	1.0
Disability Support and Sickness Allowance	91.3
Carer and Related Payments	15.7
Newstart Allowance	213.7
Newstart Related Payments	11.0
Youth Jobseeker	20.4
Youth Allowance, Apprentice and Austudy	76.8
Abstudy	9.3
Assistance to Isolated Children	0.8
Youth and Student Related Payments	3.6
Family Tax Benefit	485.3
Childcare Assistance	72.2
Family Related Payments	3.2
Parenting Payment	136.5
Parenting Related Payments	5.1
Special Circumstances	11.5
Recoveries on Behalf of Other Agencies	1.6
Other	0.3
Total Recovered	1,220.7

14. In the 2005-06 financial year:

- i Dunn and Bradstreet recovered \$51.66 million; and
- ii R&C Mercantile recovered \$1.92 million.

15. For the 2005-06 financial year, Centrelink's mercantile agents report there were:

- i 3,168 credit card payments to Dun and Bradstreet to a total value of \$973,793; and
- ii 99 credit card payments to R&C Mercantile to a total value of \$43,896.

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16. The following table provides figures on the number of Newstart Allowance and Youth Allowance incapacitated exemptions that were sought in 2005-06, and the final number granted.

The data includes all instances where a customer has lodged a medical certificate while receiving Newstart Allowance and Youth Allowance.

	Newstart Allowance	Youth Allowance	Total
Number of Medical Certificates lodged 1 July 2005 to 30 June 2006	367,139	39,229	406,368
Number of Incapacitated exemptions granted 1 July 2005 to 30 June 2006	341,934	38,117	380,051

Data source: Obtained by SAS from Centrelink Administrative Data.

17. The Social Work Information System contains information that relates to:

- Customer demographics;
- Referral Source;
- Referral Issues (reasons why customers are referred to Social Workers);
- Contact Type;
- Entitlement Decision;
- Social Work Intervention (what service was provided by the Social Worker to the customer);
- Referral Out (if the customer is referred out, what type of agency they are referred to);
- Outcome of the contact with the Social Worker; and
- Basic community work details.

To prepare this response has taken 3 hours and 36 minutes at an estimated cost of \$152.